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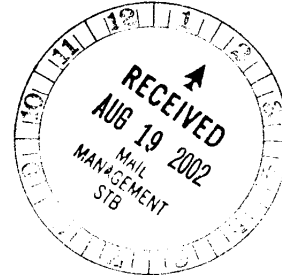
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August 19, 2002



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Public Record

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423

**Re: STB Finance Docket No. 33388 (Sub. No. 90)
CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and
Norfolk Southern Railway Company
-- Control and Operating Leases/Agreements --
Conrail, Inc. and Consolidated Rail Corporation (Buffalo Rate Study)**

Dear Secretary Williams:

Enclosed for filing in the above matter please find the original and 25 copies of the HIGHLY CONFIDENTIAL version and the original and 25 copies of the PUBLIC version of CSX's Report on Buffalo Area Rates After the Third Full Year of CSX Operation of Conrail Assets (CSX-8). The HIGHLY CONFIDENTIAL version is being filed under seal. We have also enclosed three sets of diskettes containing the confidential and public versions of the text in WordPerfect 9.0 and of the exhibits to CSX-8 in Excel.

CSX's report at the end of the first full year (CSX-3) showed a weighted average reduction of 10.6% from Conrail rates in the year immediately preceding the split of Conrail assets. CSX's second report (CSX-6) indicated that after the second full year, the weighted average change in CSX rates on Buffalo Area traffic was a slight 0.9% increase over the previous year and remained lower than Conrail rates.

WASHINGTON

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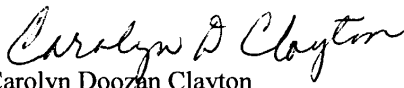
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Hon. Vernon A. Williams
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This CSX report at the end of the three year Buffalo Rate study shows that despite system wide general rate increases, the weighted average CSX rates have increased only 1.7% over the previous year and remain 4.8% lower than pre-transition Conrail rates.

Very truly yours,


Carolyn Doozan Clayton

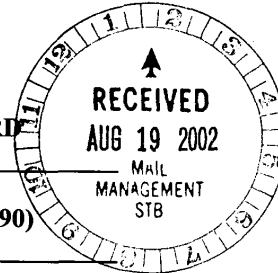
Enclosures

cc: Paul R. Hitchcock, Esquire
Dennis G. Lyons, Esquire
Parties of Record

PUBLIC VERSION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET No. 33388 (Sub-No. 90)



**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION**

(BUFFALO RATE STUDY)

**CSX REPORT ON BUFFALO AREA RATES
AFTER THE THIRD FULL YEAR
OF CSX OPERATION OF CONRAIL ASSETS**

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***Attorneys for CSX Corporation and
CSX Transportation, Inc.***

August 19, 2002

PUBLIC VERSION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 33388 (Sub-No. 90)

**CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN
RAILWAY COMPANY -- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION
(BUFFALO RATE STUDY)**

**CSX REPORT ON BUFFALO AREA RATES
AFTER THE THIRD FULL YEAR
OF CSX OPERATION OF CONRAIL ASSETS**

CSX Corporation ("CSX") and CSX Transportation, Inc. ("CSXT") (collectively "CSX") hereby submit this report on CSX rates on movements originating or terminating in the Buffalo Area after the third full year of CSX operation of Conrail assets. In accordance with the Board's Ordering Paragraph in its December 17, 2001 Decision in this proceeding (Decision No. 7), CSX is submitting its analysis of rates for the third and final year of the study, as well as an overview of the entire three-year study in this proceeding.

In the **first six months** report, CSX reported a **weighted average rate reduction of 8.6 percent** from pre-transaction Conrail rates.

In the **first full year** report, CSX reported a **weighted average rate reduction of 10.6 percent** from pre-transaction Conrail rates.

In the **second full year** report, despite inflation, rising railroad costs, and system-wide price increases, CSX reported a **weighted average increase of only 0.9 percent** over the prior year.

In this **third full year** report, which includes the full impact of rate increases taken by CSX in 2000 and 2001, CSX is reporting a **slight 1.7 percent increase** over the weighted average rates in the preceding year.

And for the **three year period** movements with pre-transaction Conrail counterparts, CSX is reporting a **weighted average decrease of 4.8 percent** from Conrail rates in the year immediately preceding CSX's operation of Conrail assets.

It is evident from these findings that Buffalo Area shippers as a group continue to enjoy substantially reduced rates as compared to the levels of rates generally prevailing to and from that area prior to implementation of the Conrail Transaction. It is thus quite apparent that Buffalo Area shippers have not been subjected to higher rates because of the CSX/NS/CR transaction. *See Decision No. 89 at 178.*

I. BACKGROUND

In Finance Docket No. 33388, the Surface Transportation Board ("Board") authorized CSX and Norfolk Southern ("NS") to divide and separately operate Conrail's assets. *Decision No. 89* (served July 23, 1998). To address concerns raised by parties representing the Buffalo Area¹

¹ For purposes of the Conrail transaction and for this Sub-Docket, the Board has defined "Buffalo Area" as "that area including the New York State counties of Erie, Niagara and those parts of Chautauqua County that lie North or east of CP58 near Westfield." *Sub-Docket No. 90, Decision No. 1 at 2, n.2; see also Docket No. 33388, Decision No. 89. at 84-85, n.133 and 305-06, n. 505.*

in that proceeding, the Board proposed a three-year study to monitor the impact of the Conrail transaction on rates charged for rail movements originating or terminating in the Buffalo Area. *Decision No. 89 at 88.* In December 1999, the Board initiated Sub-Docket No. 90 and established a schedule to review in two distinct phases the rates charged on Buffalo Area traffic in the year immediately following the transaction. In the first phase, the Board reviewed CSX and NS rates for their respective rail movements originating or terminating in the Buffalo Area for the period between June 1, 1999 (the date on which the CSX and NS split and began to separately operate the Conrail assets) and November 1999 compared to Conrail rates on comparable movements with waybill dates between June 1, 1997 and November 30, 1999. Those waybill data enabled the Board to study rates prior to and for the first six months after the consummation of the Conrail transaction ("First Six Months Study").

To analyze the impact of the transaction on rates charged for Buffalo Area traffic in the First Six Months Study, CSX's consultants, FTI Consulting, Inc. ("FTI"), compared rates charged by CSX on movements during the first six months after Split Date with rates on comparable Conrail movements for the year immediately preceding Split Date. Their analysis concluded that during the first six months after the split, there was an *overall 8.9% decrease* in rate levels on CSX Buffalo Area traffic. On July 6, 2000, the Board issued a decision in which it approved the methodology CSX and NS had developed to estimate rate trends, and found that CSX and NS had "presented evidence to show that, through the first 6 months following the division of Conrail, those rates have, on average, been reduced." *Decision No. 4, slip op. at 7-8.*

In the second phase of the first year study, CSX and NS supplemented the data submitted in the earlier phase with 100% waybill data for their respective rail movements originating or terminating in the Buffalo Area with waybill dates between December 1, 1999 and May 31,

2000. Those waybill data together with the data submitted in the first phase provided the basis for analysis of rates for a full year after the June 1, 1999 Split Date ("First Full Year Study").

In the First Full Year Study, applying the same methodology approved by the Board in the earlier phase, CSX's consultants found a general decrease in rates over the twelve-month period immediately following the split consistent with that found for the first six months. For the full year immediately following the split, the weighted average change in CSX rates on movements comparable to Conrail movements for the preceding year showed an *overall decrease of 10.6 percent.*² In a February 2, 2001 decision, the Board reaffirmed that CSX and NS had "developed a reasonable methodology" and found that the rail line-haul rates on traffic into and out of the Buffalo Area for the first full year after the split had "on average, declined relative to rates for comparable movements in the prior year." *Decision No. 6, slip op. at 11.* An analysis by the U.S. Department of Transportation ("DOT") confirmed that result. *Id.*

In the Second Full Year Study, CSX consultants applied the same methodology as that found acceptable by the Board in the previous phases of the study. FTI compared CSX waybill

² In the first full year study, Messrs. Klick and Boyles identified 2,373 movements by origin/destination pairs at the four-digit STCC level, of which 770 yielded annual revenues of \$20,000 or more. CSX-2, *Klick/Boyles July 14, 2000 V.S. at 5.* These 770 "major" movements, which represented 95.2% of the CSX revenues on traffic originating or terminating in the Buffalo Area, were included in CSX's analysis of rate changes over the first year of its operation of Conrail assets. The 770 movements were disaggregated to the seven-digit STCC level and by business unit, yielding 1,152 unique movements. *Id. at 6.* Of those 1,152 moves, 448 could be matched to pre-split Conrail movements during the period June 1, 1998 through May 31, 1999. The waybill data showed that 34% of the moves reflected no rate change or changes of less than 2 percent; 45% reflected rate reductions (including 31% with reductions of 8 percent or greater); and only 21% percent had rate increases of which only 11% were increases of 8 percent or more. *Id. at 9.* Messrs. Klick and Boyles concluded that CSX rates on Buffalo Area movements during June 1, 1999 through May 31, 2000, compared to Conrail rates on comparable movements during June 1, 1998 through May 31, 1999, decreased by 10.6 percent. *Id. at 8 and Table 4.*

data submitted for movements with waybill dates between June 1, 2000 and May 31, 2001 with the data previously submitted for movements with waybill dates between June 1, 1999 through May 31, 2000.³ They concluded that, based on the waybill data, CSX rates, which had decreased from prior Conrail rates, on average remained relatively constant (*i.e., a less than 2% change*) throughout the second full year after the split, with the overall weighted average change, before adjusting for waybill data anomalies, showing only a 1.7% increase. FTI then made specific fact-based inquiries of CSX sales and marketing staff, and after making adjustments based on those discussions, concluded that the overall weighted average change was a 0.9 percent increase over the prior year. *Id.* DOT again submitted an independent study that confirmed the CSX results. In Decision No. 7, the Board found that "CSX and NS rates for rail movements into and out of the Buffalo area have not changed significantly over the past year" and that "overall, and with no adjustment for inflation, Buffalo-area rail rates continue to be on average, somewhat lower than those rates in effect for comparable movements prior to the June 1, 1999 division of Conrail's assets by CSX and NS." *Decision No. 7 at 8.*

³ In the second full year study, Mr. Boyles identified 1,898 movements by origin/destination pairs at the four-digit STCC level, of which 672 yielded annual revenues of \$20,000 or more. *CSX-6, Boyles V.S. at 5.* Those movements represented 96.4% of total revenues for movements originating and terminating in the Buffalo Area. *Id. at 5-6 and Table 2.* They also represented 96.4% of total carloads and 96.4% of total tons. *Id. at 5, n.3.* The 672 movements were disaggregated to the seven-digit STCC level and by business unit, yielding 859 movements. Of the 859 movements, 608 (71%) could be matched to comparable movements in the First Full Year Study. *Id.* Of those 608 movements, the rates appeared to remain constant or had increases or decreases of less than 2% on 238 (39%) of the movements. Rates appeared to increase on 234 (38 %) and appeared to decrease on 136 (22%) of the movements. Of the apparent increases, 151 were less than 8%. *Id. at 8, Table 3.* Only 83 (14%) of the 608 movements had apparent increases of 8% or more. *Id. at 9.* Of the 136 rates that showed decreases, 61 indicated rate changes greater than 8%. *Id.* FTI concluded that the weighted average rate change, after adjustments, was a minor 0.9% increase.

In this Third Full Year Study, CSX consultants found that, based on the waybill data for movements with waybill dates between June 1, 2001 and May 31, 2002, the overall weighted change before adjusting for waybill data anomalies, suggested a 4.0 percent increase above the rates in place during the Second Full Year, and that after adjusting for anomalies the overall weighted average change is, in fact, *only 1.7 percent higher* than for the Second Full Year.

In addition, CSX consultants compared the CSX 2001-2002 rates for 269 movements⁴ that had pre-transaction Conrail counterparts with the Conrail rates during the year immediately preceding Split Date and found that the weighted average change was a *4.8 percent decrease* from the Conrail rates.

II. CSX'S ANALYSIS DEMONSTRATES THAT FOR THE THIRD FULL YEAR AFTER THE SPLIT, CSX RATES ON MOVEMENTS ORIGINATING OR TERMINATING IN THE BUFFALO AREA HAVE REMAINED CONSTANT OR INCREASED ONLY SLIGHTLY IN RESPONSE TO CHANGING MARKET CONDITIONS AND CONTINUE TO BE LOWER THAN PRE-SPLIT CONRAIL RATES

As CSX consultant Michael J. Boyles of FTI demonstrates in his verified statement submitted with this pleading, the *unadjusted* waybill data for the third full year after split (June 1, 2001 through May 31, 2002) suggested a minor 4.0% overall increase in the weighted average rates for CSX movements with counterparts in the second year immediately following the June 1, 1999 Split Date.

⁴ In previous studies, parties took issue with the fact that a large number of the CSX post-split movements did not have comparable Conrail counterparts. As CSX explained in its replies to those objections, the failure to find comparable movements was due to new CSX movements, and changing market conditions. The Board found that "the inability to find exact matches for many post-Split Date movements is not a serious deficiency of these studies, but rather a reflection of marketplace dynamics." *Decision No. 6, slip op. at 12.*

The FTI analysis shows that in the period June 2001 through May 31, 2002, CSX participated in 790 major⁵ movements originating or terminating in the Buffalo Area and that 570 or 72% of those movements had CSX counterparts in the previous year. FTI's initial analysis of the CSX waybill data using estimated average rates calculated from that data indicated that of those 570 movements, the rates appeared to remain constant or to have had increases or decreases of less than 2 percent on 245 (43%) of the movements. Rates appeared to increase on 40% and appeared to decrease on 17% of the movements. Of the apparent increases, 157 or 28% were increases of less than 8 percent. *Verified Statement of Michael J. Boyles ("Boyles V.S.") at 10-11 & Table 4.* Only 13% of the 570 movements had apparent increases of 8 percent or more. *Id. at 11.* Of the 96 rates that showed decreases, 57 indicated rate changes less than 8 percent while 39 had decreases of 8 percent or more. *Id. at 10, Table 4.* Based solely on the waybill data, the weighted average change in CSX transportation charges on traffic moving to and from

⁵ In analyzing waybills with dates between June 1, 2001 and May 31, 2002, FTI identified 1,710 movements by origin/destination pairs at the four-digit STCC level. Those movements represented [[] carloads, [[] tons and \$[[] in line haul revenues. *Boyles V.S. at 6, Table 2 & Exhibit FTI4_1.* In selecting the movements for inclusion in its analysis, FTI used a \$20,000 revenue threshold. Of these 1,710 movements, 608 yielded revenues of \$20,000 or more, representing 96.5% of CSX revenues for Buffalo Area traffic. *Id. at 7-8 & Table 3.* The 608 movements included [[] carloads (96.1% of total carloads) and [[] tons (96.4% of total tons). *Id. at & Exhibit FTI4_1.* FTI then disaggregated the 608 movements to the seven-digit STCC level in order more accurately to determine the proper pricing basis and to better match the movements with comparable movements from the previous year. This translated to 790 movements for inclusion in the analysis. Of the 790 movements, 565 (72%) could be matched to comparable movements in the Second Full Year Study, thus providing the basis for FTI's analysis of CSX pricing over the third year of its operation of the Conrail assets. *Id. at 8-9.* Of the 790 movements, 269 or 34.1% had pre-transaction Conrail counterparts. *Id. at 16.*

the Buffalo Area indicated an increase of 4.0% from the CSX rates in the previous year.⁶ *Id.* at 11, Table 5.

FTI recognized that, as in the previous studies, estimated average rates calculated from waybill data failed to take into account pricing variances based on type of equipment, car size, car ownership, volume discounts, minimum weight requirements, inconsistent recording of Rule 11 proportional rate billing, and other variants that can cause the revenue shown in the waybill file to suggest an incorrect price. Therefore, FTI conducted further analysis of those movements where the waybill data suggested rate changes (increases or decreases) of 8 percent or more.

For this part of its analysis, as in previous years,⁷ FTI sought input from CSX pricing managers to identify the particular pricing factors that affected each of the 111 movements that

⁶ The rates in the CSXT waybill data do not include fuel cost recovery surcharges. As the Board noted in its July 6, 2000 decision, the purpose of this study is to determine rate changes *attributable to the transaction*, and not changes resulting from increased prices of fuel that are beyond the railroads' control. *Buffalo Rate Study Decision No. 4, slip op. at 5*. Therefore, to address more properly changes in the prices charged for transportation services, we have included in our analysis only revenues for transportation services and not the surcharges for fuel cost recovery. The Board approved this approach in its December 17, 2001 decision. *Decision No. 7, slip op. at 8 n.16* ("We find this omission to be appropriate. As we have previously explained, "our Buffalo Rate Study is not intended to focus on whether the rapid and significant rise in diesel fuel prices, or any other industry-wide cost trends, are eventually reflected in rail rates.").

⁷ FTI made adjustments for waybill data anomalies for each of the First Six Month Study, the Second Full Year Study and the Third Full Year Study. It did not make adjustments for the First Full Year Study because of time constraints in the Board's schedule with respect to the time allotted between the close of the waybill data period and the date for submission of the First Full Year report. See *CSX-3, Klick/Boyles V.S. at 9-10*. Klick/Boyles noted that for full year moves that in the first six months had Conrail counterparts, the changes greater than 8% took place in the first six months and therefore would not have a significant effect on the full year results. For the 107 new movements identified in the full year study, 46 appeared to have rate changes in excess of 8 percent -- 30 with decreases and 16 with increases. Due to time constraints, the apparent rate changes for those 46 movements were not adjusted, but were accepted at face value. *Id.*

appeared to have rate changes greater than 8 percent and to determine whether the data reflected actual changes in the prices charged or were merely distortions resulting from the inherent limitations of the waybill revenues as surrogate for the rate. FTI found that there were a number of factors that caused the estimated rate change to be inaccurate.

For example, with respect to certain movements of [[]], FTI found that throughout the three-year study, apparent large rate changes were the result of changes in billing practices. Before the transaction, Conrail had established through rates with participating carriers. When the Board opened certain contracts to bidding by CSX and NS, the participating railroads chose to bill on the basis of Rule 11 proportional rates⁸ rather than renegotiate the entire contracts. Thus in the first full year after the split, there were apparent large decreases as a result of comparing through rates to Rule 11 rates. *See CSX-2, Klick/Boyles V.S. at 18, n.9.* In January 2001, the carriers began billing on the basis of the through rates. As a result, the second year study indicated apparent large increases as a result of comparing the previous year's Rule 11 rates to that year's mix of Rule 11 and through rates. *CSX-6, Boyles V.S. at 10 & Exhibit FTI 3_3.*

⁸ As used here, the expression "Rule 11 proportional rate" is used broadly and non-technically to refer to any price that applies to one carrier's segment of a through movement via more than one carrier and which is separately billed by that carrier. Strictly speaking, a proportional rate is a rate established by a carrier to apply only in connection with a prior or subsequent movement on another line haul carrier. A proportional rate can combine with another rate to establish a joint rate. "Rule 11" refers to AAR Accounting Rule 11 which governs situations where a carrier bills separately for only its portion of a through movement. The term "through rate" is used to characterize a rate, whether single factor or combination of separately stated local/proportional factors, that is billed to the customer as a single charge on one freight bill. Use of strict definitions in the context of the analysis would only complicate the discussion.

This year again, there is a distortion as a result of comparing last year's mix of Rule 11 and through rates with this year's use of only through rates, and, as in previous years, Mr. Boyles has made appropriate adjustments. *CSX-8, Boyles V.S. at 12 & Exhibit FTI 4_3.*

FTI also found that apparent rate changes on [[]] movements were in fact attributable to changes in the *mix* of equipment types and sizes rather than changes in pricing. As the pricing managers explained, the averaging process used in the FTI analysis mixed rates for various types of traffic. Within each lane (O/D pair) and pricing authority (contract or circular), there are multiple prices depending on customers' choices of type and size of equipment. Because the mix of traffic and equipment changes from one study period to the next, the averaging process distorts the results, suggesting large changes in rates when in fact there has been only a change in usage. *Boyles V.S. at 12-14 & Exhibit FTI 4_3.*

A number of [[]] movements also reflected apparent large changes where little or no change in pricing had occurred. In those instances, the waybill data reflected (a) the inclusion in the waybill revenue field of a factor based on inapplicable public rates where shippers ultimately pay the lower contract rates, (b) changes in the mix of various rates based on car ownership and lading weights, or (c) a combination of the above. *See Exhibit FTI 4_3.*

Several of the apparent rate changes in excess of 8% on [[]] movements were attributable to (a) averaging a variety of public circular and contract rates, (b) averaging various rates based on lading or equipment type, or (c) a combination of (a) and (b). The apparent rate changes were for the most part attributable to changes in the mix of traffic and in shipper selection of equipment rather than to any changes in rates. *Id.*

Based on information gleaned from CSX pricing managers, FTI adjusted its calculated percentage rate changes to reflect more accurately CSX pricing on those movements where there

was a clearly inappropriate comparison (*e.g.*, a through rate compared to a Rule 11 proportional rate, incorrect use of a public circular rate in calculating the waybill revenue rather than the applicable contract rate, or obviously aberrant data). With the exception of those instances where the actual rate change is clearly ascertainable, (*e.g.*, where the pricing managers indicated no rate change or an across-the-board rate change), FTI did not adjust estimated percentage changes that merely reflected the mixture of various rates. In order to look at rates in the aggregate and on an average basis, as necessary to maintain confidentiality and manageability, some distortion is inevitable and it would be inappropriate to adjust only some of the movements on that basis.

FTI concluded that after adjustments, CSX's overall percentage rate change for the Third Full Year was 1.7%, a very slight increase over the Second Full Year rates. *Boyles V.S. at 15, Table 7.*

As further analysis for this third and final year of the Buffalo Rate Study, FTI conducted a comprehensive review of those movements reflected in the June 1, 2001-May 31, 2002 waybill data that had comparable movements in the year immediately preceding the Conrail transaction split date. There were 269 matches. *See Boyles V.S. at 15-16 & Exhibit FTI4_4.* More than half of those movements (136 or 50.6%) had apparent rate changes of less than 8 percent. Moreover, of the total 269 movements, more than half (136 or 50.6%) continued to show reductions of some level from Conrail rates *after three years* of CSX operation. *Id. at 16.* Of the 133 movements that indicated rate increases only 58 had increases of eight percent or greater. *Id.* Mr. Boyles demonstrates that, based on the estimated average rates for those movements -- and without taking inflation into consideration -- CSX rates in the third full year after the transaction

(Year 3) were on average 4.8 percent lower than the rates charged by Conrail in the year immediately preceding CSX's operation of the Conrail assets. *Id.* at 16, Table 8.⁹

III. THE THREE YEAR STUDY HAS DEMONSTRATED THAT BUFFALO AREA SHIPPERS HAVE NOT BEEN ADVERSELY AFFECTED BY THE CONRAIL TRANSACTION

Mr. Boyles has demonstrated that at the end of its third full year of handling traffic in the Buffalo Area, CSX has for the most part maintained the low rate levels on movements originating or terminating in the Buffalo Area that it had established during its first year of operating Conrail assets. As CSX's previous studies showed, those rates were on average lower than the rates charged by Conrail on comparable pre-split movements.

It is important to note that many of the smaller rate increases taken over the past three years are the result of operation of the normal rate escalation mechanisms that adjust contract rates for inflation. Where CSX has taken other increases on movements, the increases are consistent with CSX pricing over its entire system and do not represent any adverse treatment of Buffalo customers. Indeed, CSX rate changes both in the Buffalo Area and throughout other parts of its system reflect changing market conditions and are not attributable to CSX's acquisition of Conrail.

As anticipated, with the passage of time, the impact of the transaction itself on rate levels has diminished as other economic factors affecting rail transportation rates, such as service

⁹ As Mr. Boyle's explains, he did not adjust the Year 3 to Conrail rates for data anomalies because of the complexity of tracing those anomalies over the years. He notes that taking into consideration inflation and the data anomalies would likely result in even greater overall reduction. *Boyles V.S.* at 17.

improvements, fuel cost increases, inflation, and the overall level of economic activity, assume greater importance. In many instances, shippers are changing suppliers and customers, as well as equipment and service requirements as a result of the dynamics of the markets in which they themselves compete.

To respond to changing market conditions, including inflationary cost increases and the high quality service that CSX has been delivering to its customers, CSX took across-the-board increases in 2000 and in 2001 on virtually all of its public circular rates, and where market conditions warranted, negotiated higher contract rates with many of its customers. In the past year, CSX has been modifying its public circular rates to provide broad coverage and more consistent market-based rates in order to expedite the initiation of new service and simplify the application of the public rates to particular movements. But these rate actions are not the result of increased market power as a result of the Conrail transaction. Rather, they are consistent with the overall transportation market and the economy at large. As noted in last year's report, in February 2000 and again in April 2001, CSX increased rates on many commodities by 6-8% to meet rising costs and better reflect the value of its services.¹⁰ See CSX-6 at 11.

¹⁰ CSX was not alone. As the Journal of Commerce reported in February 2000, "The nation's railroads, encouraged by the strong economy and facing higher fuel and labor costs, are trying to raise certain rates more aggressively than in recent years." *Railroads Attempt to Raise Prices*, Journal of Commerce, Feb. 11, 2000 at 15. Market analyst Gary Yablon stated in a New York Times interview in August 2001 that "the railroad industry is starting to see better pricing, is raising rates and seeing them hold." Kenneth N. Gilpin, *Market Insight: Why Traders Keep Playing with Trucks and Trains*, The New York Times, Aug. 5, 2001 Late Edition, Section 3, at 6. He attributed this upturn in rates to significant improvements in transit times and in the on-time index, giving the railroads a more persuasive case with their customers to talk about rate increases. *Id.*

The waybill revenues (and thus the calculated rates) underlying this year's CSX report reflect those prior rate increases, which were clearly the result of market factors *outside the Conrail transaction* -- factors that likely would have affected Conrail pricing as well had the transaction not taken place. As more time passes, the completed Conrail transaction becomes the base case and the year-to-year changes in rates are driven *not by the transaction, but by changes in other factors*. In light of the current market conditions, the minor overall weighted change of 1.7 percent in prices on CSX traffic originating and terminating in Buffalo Area over the past year indicates that there is no reason to believe that the Buffalo Area has been adversely affected by the transaction, or that Buffalo shippers have been disadvantaged vis a vis other CSX shippers. More importantly for purposes of this study, CSX rates at the end of three years continue to be lower than the Conrail pre-transaction rates on comparable movements with an average weighted *decrease of 4.8 percent*. CSX-8, *Boyles V.S. at 16, Table 8*. An overall 4.8 percent reduction -- without adjustments for anomalies or inflation -- clearly demonstrates that Buffalo area shippers have not been adversely affected by the Conrail Transaction.

IV. CONCLUSION

The results of the three-year study of Buffalo rates ordered by the Board in Decision No. 89 in the Conrail Transaction has produced no evidence that shippers in the Buffalo Area have been adversely affected or disadvantaged vis a vis other CSX shippers as a result of the Conrail Transaction. In fact, despite the dire predictions of doom for Buffalo Area shippers offered by parties in the Conrail Transaction proceeding as justification for special treatment, there has been

no evidence brought forth in the past three years that would give credence to those speculations.¹¹ The Department of Transportation's independent studies in this proceeding for the past two years confirmed that CSX rates had remained relatively constant from year to year and were at the end of the second year still lower than Conrail pre-transaction rates.

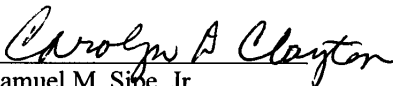
When the Board issues its decision on the CSX and NS Third Year reports, the "three-year study" of CSX and NS rates on movements into and out of the Buffalo Area will be completed. Given that the study to date has presented no evidence of an adverse impact on the Buffalo Area, and in light of the fact that with each passing year comparisons become less and less meaningful as the effects of the transaction are subsumed by intervening market factors, CSX respectfully submits that no further need would be served by continuing the study of CSX rates in the Buffalo Area and that this study should therefore be considered closed.

¹¹ CSXT's recent weekly status report on operational issues noted that CSX's Buffalo Customer Service Hot Line set up to address any concerns or complaints raised by Buffalo Area shippers had received no calls for the past 61 weeks. *CSXT Status Report letter to Mr. Melvin Clemens, Jr., Director of Compliance and Enforcement dated July 3, 2002.*

Respectfully submitted,

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August 19, 2002

CERTIFICATE OF SERVICE

I certify that on August 19, 2002 a true copy of the **Public** version of CSX-8, CSX's Report on Buffalo Area Rates After the Third Full Year of CSX Operation of Conrail Assets, was served by **first-class U.S. mail, postage prepaid, or by more expeditious means** upon:

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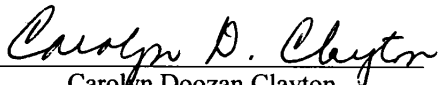
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PUBLIC VERSION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 33388 (Sub-No. 90)

**CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN
RAILWAY COMPANY -- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION
(BUFFALO RATE STUDY)**

VERIFIED STATEMENT OF

MICHAEL J. BOYLES

I am Michael J. Boyles. I am the same Michael J. Boyles who filed a verified statement in the above proceeding on August 20, 2001 and who filed joint verified statements with John C. Klick in this proceeding on May 12, 2000 and on July 14, 2000. My qualifications were set forth in Exhibit KKA_2 of my May 12, 2000 statement.

I. SUMMARY OF TESTIMONY

I have been asked by counsel for CSX Corporation and CSX Transportation, Inc. (collectively referred to as "CSX") to continue the analysis I began in my previous statements of rail rates charged by CSX on traffic originating or terminating in the Buffalo Area¹ following the acquisition of Conrail by CSX and Norfolk Southern Corporation ("NS").² In the first phase of

¹ In this statement, to be consistent with the Board's terminology, I use the term "Buffalo Area" as that term is defined by the Board in Decision No. 1. In my previous statements, I sometimes referred to the area as the Niagara Frontier Region or the Buffalo/Niagara Falls Area.

² The separate operation of Conrail's routes began on June 1, 1999. This date is commonly referred to as the Conrail "Split Date."

the first year study, I compared CSX rates for movements having waybill dates during the first six months after the split of Conrail (June 1, 1999 through November 30, 1999) with rates charged by Conrail on comparable movements during the year immediately preceding the split (June 1, 1998 through May 31, 1999).³ In the second phase of the first year study, I compared the CSX rates for movements during the first full year post-split (movements having waybill dates between June 1, 1999 and May 31, 2000) with the Conrail rates charged on comparable traffic moving during the preceding year. In the second year of this study, I compared the CSX rates for movements during the second full year post-split (movements having waybill dates between June 1, 2000 and May 31, 2001) with the CSX rates charged on comparable traffic moving during the preceding year. For this third and final study year, I compare the CSX rates for the third full year post-split to the CSX rates for the second full year post-split and to Conrail rates on comparable movements during the year immediately preceding the split.

As in the first three phases of this study, I again follow the same methodology that the Surface Transportation Board ("Board") approved in its July 6, 2000 decision. That methodology focuses on all unique origin city/destination city/4-digit STCC combinations in the CSX post-split traffic data, originating or terminating in the Buffalo Area, that generated revenues of \$20,000 or more. A total of 608 moves were identified, representing 96.5 percent of total CSX revenues for shipments moving to and from this area. To facilitate further analysis, these records were disaggregated to the 7-digit STCC level and by business unit, yielding 790 unique origin city/destination city movements at the 7-digit STCC level. The rate levels on each

³ CSX did not have Conrail COSAC data for the months of April and May 1999 and, for the reasons stated in the May 12, 2000 statement, I did not want to introduce a third data source into the analysis. Therefore, I analyzed the Conrail data on the basis of the 10 months of available COSAC data.

of these movements were compared to the rate levels on comparable movements for the previous year. My findings are:

- A comparison of the third full-year of CSX waybill data to the second full-year of CSX waybill data shows matching moves for 72 percent of the major moves. These 72 percent of the major moves accounted for 91 percent of the major moves' revenue. This was an increase from the previous phase where 84 percent of major moves' revenue had counterparts from the previous year and is amply representative of CSX pricing on movements into or out of the Buffalo Area.
- As explained in the first three phases of this study, the waybill files contain a field for each carload's freight charges, but not the actual rate. Therefore, to derive average rates from the total charges (revenues), the proper "pricing basis" had to be determined (*e.g.*, whether shipments are rated on a per-car, per-ton or per-hundred-weight basis). *See May 12, 2000 Statement at 9-10.* In this phase, I had to determine the pricing basis for each new movement not included in the previous analyses.
- As explained in the earlier phases of this study [see May 12 statement, *id. at 2 and 18*], differences in the treatment of joint rates, proportional rates, and Rule 11 traffic created significant data anomalies that were a major factor in creating *apparent* large rate changes when, in fact, there were little or none.
- Estimated average rates are distorted by various factors not readily apparent in the waybill data, such as price variations based on car type and size, volume discounts, minimum weight requirements, car ownership, mileage allowances, and the use of common carrier or privately quoted rates.
- Before adjusting for these anomalies for the full-year data, 43 percent of the rates for the 570 CSX major movements in this phase that had counterparts to the previous year showed no change or changes of less than 2 percent; 17 percent had rate reductions in excess of 2 percent, with 7 percent reflecting apparent rate reductions of 8 percent or greater.
- Forty percent of the 570 major movements reflected rate increases in excess of 2 percent, but only 13 percent of the 570 movements had apparent rate increases of 8 percent or greater.

- Before adjusting for anomalies present in the waybill data, the overall weighted average rate change for Buffalo shippers was a 4.0 percent increase.
- In this last phase of the study, my analysis shows that between the second and third years of the study period, Buffalo Area shippers served by CSX have experienced a rate increase averaging 1.7 percent after adjusting for data anomalies.
- When compared to their Conrail pre-split counterparts, the 269 CSX movements in the third year of the study exhibited an overall weighted average rate decrease of 4.8 percent.
- Overall, the CSX rates of Buffalo area shippers over the last three years clearly have not increased significantly as a result of this transaction.

II. BACKGROUND

To facilitate the study of the impact of the CSX/NS acquisition of Conrail on rates in the Buffalo Area, the Board instructed CSX and NS to produce 100% waybill data for movements originating or terminating in the Buffalo Area as defined by the Board. In Phase 1, CSX and NS were required to provide Conrail waybill data for the "pre-split" time period of June 1, 1997 through May 31, 1999. They were also required to provide their respective waybill data for the time period of June 1, 1997 through November 30, 1999, thus covering both the "pre-split" and "post-split" periods. They were then required to supplement that data with waybill data for movements with waybill dates between December 1, 1999 and May 31, 2000. Those waybill files provided the basis for my rate analyses in the first six months and the first full year after the split date. In Phase 3, the railroads provided data for movements with waybill dates between June 1, 2000 and May 31, 2001. Finally, in this final phase, the railroads have provided waybill data for movements with waybill dates between June 1, 2001 and May 31, 2002. The waybill files provided by CSX form the basis of this analysis of CSX rates during the past year in

comparison to the previous year and in comparison to Conrail rates in the year immediately preceding the split date.

In this fourth phase of the study, I followed the same methodology used in Phases 1, 2 and 3.⁴ Specifically, I began by quantifying the amount and make-up of CSX traffic originating or terminating in the Buffalo Area in the third year after the split date. To do so, I sorted the traffic by Standard Transportation Commodity Codes ("STCC") within CSX's marketing business units. This provided a comprehensible way to study the rate structure for that traffic, and facilitated the process of obtaining additional information from CSX pricing managers to better understand what I observed in the traffic data, as was done in the previous phases. A breakdown of the third year post-split traffic by business unit is provided in Table 1.

Table 1
Breakdown of CSX Traffic
Originating or Terminating in the Buffalo Area
June 2001 - May 2002
By Business Unit

BU	Business Unit	Cars	Revenue	Rev %
AG	Agriculture	[[]]	\$ [[]]	6%
AU	Autos	[[]]	[[]]	15%
CH	Chemicals	[[]]	[[]]	31%
CO	Coal	[[]]	[[]]	27%
EM	Emerging Markets	[[]]	[[]]	4%
FC	Food/Consumers	[[]]	[[]]	2%
IN	Intermodal	[[]]	[[]]	4%
MN	Minerals	[[]]	[[]]	1%
MT	Metals	[[]]	[[]]	7%
PA	Paper	[[]]	[[]]	4%
PF	Phosphate/Fertilizer	[[]]	[[]]	0%
	Total	[[]]	[[]]	100%

⁴ This methodology was approved by the Board in its July 6, 2000 decision with respect to Phase 1.

As Table 1 shows, and consistent with my findings in the previous phases of this study, the primary commodities moved by CSX to and from the Buffalo Area are chemicals, coal, autos, metals and agricultural products. Together, these make up 85 percent of the traffic on a revenue basis in the third full-year after split date.

This third-year-post-split traffic contained a new business unit, which was not in any of the previous years' waybill traffic. The emerging market ("EM") business unit was created as part of CSX's sales and marketing reorganization last year and represents growth opportunities for rail. In order to compare these rates with prior years, I converted the EM business units to their prior business unit designations based on the STCC code. Seventy-nine percent of these revenues translated to the chemicals business unit, 20 percent translated to the minerals business unit, and less than one percent translated to the food/consumers business unit. A breakdown of the third-year-post-split traffic by business unit after this translation is provided in Table 2.

Table 2
Breakdown of CSX Traffic
After Translating the EM Business Units
Originating or Terminating in the Buffalo Area
June 2001 - May 2002
By Business Unit

BU	Business Unit	Cars	Revenue	Rev %
AG	Agriculture	[[]]	\$ [[]]	6%
AU	Autos	[[]]	[[]]	15%
CH	Chemicals	[[]]	[[]]	34%
CO	Coal	[[]]	[[]]	27%
FC	Food/Consumers	[[]]	[[]]	3%
IN	Intermodal	[[]]	[[]]	4%
MN	Minerals	[[]]	[[]]	1%
MT	Metals	[[]]	[[]]	7%
PA	Paper	[[]]	[[]]	4%
PF	Phosphate/Fertilizer	[[]]	[[]]	0%
	Total	[[]]	[[]]	100%

As Table 2 shows, after translating the EM business units to their prior business unit designations, the primary commodities moved by CSX to and from the Buffalo Area are still chemicals, coal, autos, agricultural products and metals. These make up 88 percent of the traffic on a revenue basis in the third full-year after split date.

To focus the analysis, I identified the major movements of CSX traffic into and out of the Buffalo Area. I first aggregated traffic by origination city and state, termination city and state, and 4-digit STCC. This produced 1,710 individual movements. I then selected those movements with freight revenue greater than or equal to \$20,000 for the third full-year post-split period June 1, 2001 to May 31, 2002. Six hundred eight (608) movements satisfied this criterion. These movements accounted for 96.5 percent of the total CSX revenue on movements to and from the Buffalo Area, or \$[[]] million in freight revenue. The details for these major CSX post-split movements are set out in Exhibit FTI4_1. Not surprisingly, these major movements account for virtually all of the CSX Buffalo Area traffic in each of the main business units, as shown in Table 3.

Table 3
Major Moves Revenue as a Percentage of Total Revenue
June 2001 - May 2002
By Business Unit

BU	Business Unit	Major Moves Revenue	Total Revenue	Rev %
AG	Agriculture	\$ [[]]	\$ [[]]	82.1
AU	Autos	[[]]	[[]]	99.8
CH	Chemicals	[[]]	[[]]	96.9
CO	Coal	[[]]	[[]]	100.0
FC	Food/Consumers	[[]]	[[]]	90.9
IN	Intermodal	[[]]	[[]]	95.4
MN	Minerals	[[]]	[[]]	97.0
MT	Metals	[[]]	[[]]	97.2
PA	Paper	[[]]	[[]]	81.8
PF	Phosphate/Fertilizer	[[]]	[[]]	74.7
	Total	\$ [[]]	\$ [[]]	96.5

III. RATE COMPARISONS

The 608 CSX major movements provided the starting point for our rate comparison study. To derive estimated rates, I needed to determine the appropriate pricing basis for each movement. Because in many instances the proper pricing basis could only be determined at the 7-digit STCC level and to be consistent with my previous analyses, I disaggregated the traffic to that level and by business unit, which resulted in an expansion of the original 608 movements to 790 movements. CSX business unit pricing managers had provided me with the pricing basis for each movement in the previous phases, and for this fourth phase provided the information for each movement that was not included in my previous analyses.

The next step in my analysis was to compare these 790 CSX movements in the third full-year following the Conrail split with CSX traffic that moved during the preceding year to assess the impact of the transaction on the level of rates charged for these movements. I determined

from the waybill data the estimated average rate for each of the 790 movements and, for comparable CSX movements from the previous year. This was done by dividing the revenues for each movement by the number of units of traffic using the appropriate pricing basis (carloads, tons or hundredweights). For the 570 CSX movements that had counterparts from the prior year, the estimated average rates for the CSX movements were compared, and an initial calculation was made of the percentage change in these estimated rates. The details of my analysis of the 790 post-split CSX movements and prior year counterparts for the year June 2001 through May 2002 are shown in Exhibit FT14_2.

As can be seen from that exhibit, there were 570 third full-year, post-split movements out of the 790 major CSX movements that had a comparable movement from the prior year. The remaining 220 movements did not have a comparable move from the prior year. These 570 movements account for 72 percent of the movements, and 91 percent of the major movements' revenues.

For each of those comparable movements we examined the estimated average rates derived from the third full-year post-split CSX data compared to the estimated average rates of the second full-year post-split CSX data and calculated the percentage change in these estimated rates. A breakdown of these movements, by business unit and the percentage change in the estimated rate, is provided in Table 4.

Table 4
Comparison Between CSX Post-Split Data
Third Full-Year and Second Full-Year Post-Split Apparent Rate Changes
By CSX Business Unit
Before Adjusting for Data Anomalies

BU	No Comp Yr2 Rate	Greater or Equal to 8% Decr	Greater or Equal to 2% Decr	Less Than 2% Change	Greater or Equal to 2% Incr	Greater or Equal to 8% Incr	Total
AG	47	7	14	47	29	14	158
AU	7	0	0	15	3	14	39
CH	79	19	20	109	81	24	332
CO	20	0	0	3	10	0	33
FC	15	2	4	13	11	2	47
IN	3	3	5	17	7	1	36
MN	5	3	1	3	3	1	16
MT	28	3	6	19	6	2	64
PA	11	2	6	18	7	11	55
PF	5	0	1	1	0	3	10
Total	220	39	57	245	157	72	790

As can be seen in Table 4, 245 or 43.0 percent of the 570 movements had no change or changes of less than 2 percent, and an additional 214 of the movements (37.5%) had apparent rate changes of less than 8 percent. Only 111 (19.5%) had apparent rate changes of 8 percent or greater, 72 of which were apparent increases while 39 were apparent decreases. The data show an apparent overall weighted average rate change, before adjustments, of 4.0 percent, as shown in Table 5.

Table 5
Apparent Weighted Average Change in CSX Rates
Comparison Between Third Full-Year Post-Split CSX Rates
And Second Full-Year Post-Split CSX Rates
Before Adjusting for Data Anomalies

BU	Business Unit	Weighted Average Rate Change (%)
AG	Agriculture	1.6
AU	Autos	16.5
CH	Chemicals	4.4
CO	Coal	3.2
FC	Food/Consumers	3.8
IN	Intermodal	(0.6)
MN	Minerals	(0.7)
MT	Metals	1.1
PA	Paper	3.3
PF	Phosphate/Fertilizer	(1.5)
	Total	4.0%

IV. ANALYSIS OF WAYBILL RECORDS THAT SUGGEST SIGNIFICANT INCREASES OR DECREASES IN RATES

As explained in my previous three statements, estimated average rates derived solely from waybill data provide only a starting point for comparison and should be further analyzed to adjust for data anomalies described above. Of the 570 CSX third full-year post-split movements that had counterparts in the preceding year, 245 (43%) had no rate change or changes of less than 2%; 96 (17%) reflected rate reductions; and 229 (40%) reflected rate increases. Of the rate reductions, 39 (7%) had reductions of 8 percent or greater. Of the rate increases, 72 (13%) had rate increases of 8 percent or greater.

Since my analysis in this Phase of the Study is a continuation of my previous analyses, I included in Exhibit FTI4_2 a column that indicates for each of the 570 comparable movements in Phase 4, the corresponding line (movement) number from Exhibit FTI3_2. As before, I went to the CSX pricing managers for explanations of rate changes greater than or equal to 8 percent.

Many of the apparent large increases and decreases that appear in Exhibit FTI4_2 are caused by one (or more) data anomalies. The pricing managers were able to explain how the actual rates changed for these major movements. I provide generalized explanations for the data anomalies and identify which major movements with rate changes of 8 percent or greater exhibit those anomalies. See Exhibit FTI4_3 for explanations of specific movements.

The first data anomaly occurs when traffic moving under a joint, through-rate in one period moved under some form of proportional pricing in another period. In previous phases of this study, the waybill records from the pre-split period displayed the through revenue, while the post-split waybill record displayed only the CSX (former Conrail) portion of the revenue. Movements affected by this anomaly exhibited apparent rate decreases when no decreases actually occurred. In this phase of the study, the waybill records display through revenues again. These movements now show apparent large rate changes where only minor change actually occurred, if at all. This error explains the increases shown in Exhibit FTI4_3 on the following line numbers: 6, 10, 13, 19, 20, 21, 26, 27, 34, 37, 50, 355, 369 and 556.

A second data anomaly occurs when shipments for the same origin/destination/7-digit STCC combination occur in a mix of equipment or involve different types of service. Rates can vary depending on the size of the equipment used, on whether the equipment is shipper-owned or railroad-owned, on whether or not the shipper met the minimum loading requirements, or on whether the service changed from a two-carrier service to single carrier service. If the mix of equipment sizes, freight car ownership, loading weight or service in the previous period is different from that used in the current period, comparison of average revenues per pricing unit will indicate an overall increase or decrease in rates, even though the specific rates in equipment type, equipment ownership or loading minimums have remained the same. This problem

explains increases and decreases shown in Exhibit FTI4_3 for line numbers: 14, 46, 64, 122, 168, 177, 193, 246, 248, 255, 309, 343, 371, 412, 414, 415, 422, 428, 447, 477, 483, 487, 508, 509, 520, 539, 543, 553, 565, 566 and 600.

A third data anomaly occurs when the calculated rate does not match any of CSX's actual rates used by the pricing managers. This can sometimes be attributed to using waybill data that has not yet settled (e.g., a former common carrier rate was used instead of the applicable contract rate or an incorrect rate cited for the commodity, volume or equipment used). In these instances, I adjusted the rate based on any increases or decreases cited by the pricing managers when customers were billed at the appropriate rate. This problem affects apparent rate increases and decreases shown in Exhibit FTI4_3 for the following line numbers: 91, 100, 153, 336, 370, 401, 460, 517, 539 and 541.

A final data anomaly occurs when shipments between the same origin/destination/7-digit STCC combination are billed at different rates for different shippers, are a mix of different contract or public rates, or are a mix of different pricing bases. Some shippers are able to negotiate lower rates than other shippers, or low volume shippers may use a common carrier rate.⁵ If a shipper with a lower rate ships more volume in a previous period relative to another shipper, but the shipper with the higher rate ships more volume in a subsequent period, comparing averages will produce an apparent rate increase when no actual rate increase took place. This problem explains the increases and decreases shown in Exhibit FTI4_3 for line numbers: 22, 79, 89, 92, 117, 122, 165, 193, 198, 204, 230, 252, 264, 286, 316, 319, 345, 348,

⁵ Differences in rates occur for many reasons. For example, shippers may pay lower rates if they are willing to make certain volume commitments, shippers may pay lower rates if they bundle a large number of movements, shippers may agree to a rate premium if the carrier reaches certain performance targets, and shippers may pay lower rates if they are able to provide back-haul opportunities for the carrier.

356, 388, 391, 394, 407, 423, 432, 448, 454, 456, 480, 483, 503, 506, 530, 533, 536, 548, 565, 575, 578, 583, 584 and 601. However, I did not make adjustments for these movements because to do so would require disaggregating the data and divulging confidential shipper information, which the Board has already ruled is inappropriate. Moreover, similar distortions based on the averaging of various customers can affect many moves, not only those with apparent rate changes of 8% or more.

The extent to which these data anomalies affect particular movements is displayed in Exhibit FTI4_3. Once the effect of these data anomalies has been accounted for, Table 4 can be restated as follows:

Table 6
Comparison Between CSX Post-Split Data
Third Full-Year and Second Full-Year Post-Split Rate Changes
By CSX Business Unit
After Adjusting for Data Anomalies

BU	No Comp Yr2 Rate	Greater or Equal to 8% Decr	Greater or Equal to 2% Decr	Less Than 2% Change	Greater or Equal to 2% Incr	Greater or Equal to 8% Incr	Total
AG	47	4	16	51	36	4	158
AU	7	0	0	28	4	0	39
CH	79	17	20	113	84	19	332
CO	20	0	0	3	10	0	33
FC	15	2	4	14	11	1	47
IN	3	3	5	17	7	1	36
MN	5	3	1	3	4	0	16
MT	28	3	6	20	6	1	64
PA	11	1	6	19	7	11	55
PF	5	0	1	1	2	1	10
Total	220	33	59	269	171	38	790

As can be seen in Table 6, after adjusting for anomalies, 269 or 47.2 percent of the 570 movements had no change or changes of less than 2 percent, and an additional 230 of the

movements (40.4%) had rate changes of less than 8 percent. Only 71 (12.5%) had rate changes of 8 percent or greater, 38 of which were increases and 33 of which were decreases. As shown in Exhibit FTI4_3, many of the large increases and decreases reflect changes in the mix of traffic governed by various rate structures rather than changes in the rates themselves. The overall weighted average change in rates after adjusting for data anomalies was a modest 1.7 percent increase, as shown in Table 7.

Table 7
Weighted Average Change in CSX Rates
Comparison Between Third Full-Year Post-Split CSX Rates
And Second Full-Year Post-Split CSX Rates
After Adjusting for Data Anomalies

BU	Business Unit	Weighted Average Rate Change (%)
AG	Agriculture	0.7
AU	Autos	0.3
CH	Chemicals	2.0
CO	Coal	3.2
FC	Food/Consumers	3.2
IN	Intermodal	(0.6)
MN	Minerals	(0.8)
MT	Metals	1.0
PA	Paper	3.4
PF	Phosphate/Fertilizer	(2.3)
	Total	1.7%

V. COMPARISON TO CONRAIL PRE-SPLIT RATES

In its December 14, 2001 decision, the Board ordered a full overview of this proceeding in addition to the final year's analysis. My previous analyses compared the current year's rates to the previous year's rates. In order to fulfill the requirements of the Board's order, I compared the CSX rates for the third year post-split movements with the Conrail rates for pre-split movements.

Two hundred sixty-nine third year movements had Conrail pre-split counterparts. These accounted for 34.1 percent of the movements and 50.9 percent of the revenue. These matching rates are similar to those from my May 12, 2000 report where 43.3 percent of the movements had Conrail pre-split counterparts, accounting for 60.9 percent of the revenue. *See May 12, 2000 Statement at 12.*

Of these 269 comparable moves, *50.6 percent had apparent rate changes of less than 8 percent.* Of the remaining 133 movements that had apparent rate changes of 8 percent or greater, *75 (27.9% of the total) were rate decreases, while only 58 (21.6% of the total) were rate increases.*

The details of these 269 post-split CSX movements and pre-split Conrail counterparts are shown in Exhibit FTI4_4. A breakdown of the weighted average change in rates by business unit is shown in Table 8.

Table 8
Weighted Average Change in CSX Rates
Comparison Between Third Full-Year Post-Split CSX Rates
And Pre-Split Conrail Rates
No Adjustments for Data Anomalies

BU	Business Unit	Weighted Average Rate Change (%)
AG	Agriculture	(3.0)
AU	Autos	13.4
CH	Chemicals	(2.6)
CO	Coal	(10.9)
FC	Food/Consumers	0.2
IN	Intermodal	No Comp CR Moves
MN	Minerals	9.1
MT	Metals	8.5
PA	Paper	2.0
PF	Phosphate/Fertilizer	No Comp CR Moves
	Total	(4.8%)

As can be seen in Table 8, the unadjusted overall weighted average rate change between the CSX third year post-split rates and the Conrail pre-split rates is a *4.8 percent rate reduction*.

Note that many of these comparisons suffer from the data anomalies that were particularly prevalent in the Conrail data, and which resulted in numerous adjustments in the studies for the first six months after the split date, and to a lesser degree in the subsequent study years.

However, I did not attempt in this analysis to further analyze and adjust all of the rate changes between the data for the third year post-split with the Conrail data for the year preceding the split. That would have been a cumbersome task because of the complexity of tracing the numerous changes in mix of traffic, billing practices, changes in service and other anomalies reflected in four years' data. I do note that if these results were adjusted to account for data anomalies and took into account inflation, the resulting rate decrease would likely be even greater. As it is, this result corroborates the conclusions of my previous analyses.

VI. CONCLUSION

In conclusion, my analysis of the CSX waybill data supplied to the Board, demonstrates that during the third full-year following the split of Conrail, there has been a minimal impact on rates charged on traffic originating or terminating in the Buffalo Area. As shown in Table 7, the comparison of the third full-year post-split rates to the comparable second full-year post-split rates indicates those rates on a weighted average basis have *increased only 1.7 percent*. Additionally, when CSX third year post-split rates are compared to comparable Conrail pre-split rates on a weighted average basis, rates have *decreased 4.8 percent*, as can be seen in Table 8.

The purpose of this proceeding was to determine whether Buffalo area shippers were adversely affected by this Conrail transaction. I find that although CSX has taken some slight

increases since its initial reduction of rates in the first year, the data show that overall rates for Buffalo Area shippers have *not* increased significantly as a result of this transaction. Indeed, the data show that the rates have remained relatively constant from year to year in the three years following the Split Date and continue to be on average below pre-transaction Conrail rates.

VERIFICATION

DISTRICT OF COLUMBIA) SS:

MICHAEL J. BOYLES, being duly sworn, deposes and says that he has read the foregoing statement, knows the contents thereof and that the same are true as stated to the best of his knowledge and belief.


MICHAEL J. BOYLES

Subscribed and Sworn to
Before Me, a Notary Public
This 16th Day of August, 2002.


NOTARY PUBLIC

My Commission expires May 14, 2007

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
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26											
27											
28											
29											
30											
31											
32											
33											
34											
35											

Exhibit FTI4_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
36											
37											
38											
39											
40											
41											
42											
43											
44											
45											
46											
47											
48											
49											
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67											
68											
69											
70											

Exhibit FTI4_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
71											
72											
73											
74											
75											
76											
77											
78											
79											
80											
81											
82											
83											
84											
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101											
102											
103											
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105											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
106											
107											
108											
109											
110											
111											
112											
113											
114											
115											
116											
117											
118											
119											
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140											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
141											
142											
143											
144											
145											
146											
147											
148											
149											
150											
151											
152											
153											
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171											
172											
173											
174											
175											

045

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
176											
177											
178											
179											
180											
181											
182											
183											
184											
185											
186											
187											
188											
189											
190											
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210											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
211											
212											
213											
214											
215											
216											
217											
218											
219											
220											
221											
222											
223											
224											
225											
226											
227											
228											
229											
230											
231											
232											
233											
234											
235											
236											
237											
238											
239											
240											
241											
242											
243											
244											
245											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
246											
247											
248											
249											
250											
251											
252											
253											
254											
255											
256											
257											
258											
259											
260											
261											
262											
263											
264											
265											
266											
267											
268											
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270											
271											
272											
273											
274											
275											
276											
277											
278											
279											
280											

Exhibit FTI4_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
281											
282											
283											
284											
285											
286											
287											
288											
289											
290											
291											
292											
293											
294											
295											
296											
297											
298											
299											
300											
301											
302											
303											
304											
305											
306											
307											
308											
309											
310											
311											
312											
313											
314											
315											

Exhibit FTI4_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
316											
317											
318											
319											
320											
321											
322											
323											
324											
325											
326											
327											
328											
329											
330											
331											
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334											
335											
336											
337											
338											
339											
340											
341											
342											
343											
344											
345											
346											
347											
348											
349											
350											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
351											
352											
353											
354											
355											
356											
357											
358											
359											
360											
361											
362											
363											
364											
365											
366											
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368											
369											
370											
371											
372											
373											
374											
375											
376											
377											
378											
379											
380											
381											
382											
383											
384											
385											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
386											
387											
388											
389											
390											
391											
392											
393											
394											
395											
396											
397											
398											
399											
400											
401											
402											
403											
404											
405											
406											
407											
408											
409											
410											
411											
412											
413											
414											
415											
416											
417											
418											
419											
420											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
421											
422											
423											
424											
425											
426											
427											
428											
429											
430											
431											
432											
433											
434											
435											
436											
437											
438											
439											
440											
441											
442											
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447											
448											
449											
450											
451											
452											
453											
454											
455											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
456											
457											
458											
459											
460											
461											
462											
463											
464											
465											
466											
467											
468											
469											
470											
471											
472											
473											
474											
475											
476											
477											
478											
479											
480											
481											
482											
483											
484											
485											
486											
487											
488											
489											
490											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
491											
492											
493											
494											
495											
496											
497											
498											
499											
500											
501											
502											
503											
504											
505											
506											
507											
508											
509											
510											
511											
512											
513											
514											
515											
516											
517											
518											
519											
520											
521											
522											
523											
524											
525											

Exhibit FTI4_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
526											
527											
528											
529											
530											
531											
532											
533											
534											
535											
536											
537											
538											
539											
540											
541											
542											
543											
544											
545											
546											
547											
548											
549											
550											
551											
552											
553											
554											
555											
556											
557											
558											
559											
560											

Exhibit FT14_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
561											
562											
563											
564											
565											
566											
567											
568											
569											
570											
571											
572											
573											
574											
575											
576											
577											
578											
579											
580											
581											
582											
583											
584											
585											
586											
587											
588											
589											
590											
591											
592											
593											
594											
595											

Exhibit FTI4_1
CSXT Major Movements From June 2001 to May 2002
 Into or Out of the Buffalo Area

Line	ORR	Orig City	OST	TRR	Term City	TST	STCC	Cars	Tons	Revenue	Cum%
596											
597											
598											
599											
600											
601											
602											
603											
604											
605											
606											
607											
608											

Moves	Cars	Tons	Revenue	%Rev
All Traffic				
GE \$20,000				

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
 Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST		Cars	Rate	% Chg from YR 2	Cars	Rate	
AG	61	69							PC						
AG	91	53							PC						
AG	91	53							PC						
AG	100	147							PC						
AG	105	129							PC						
AG	141	116							PC						
AG	141	116							PC						
AG	173	182							PC						
AG	181	211							PC						
AG	181	211							PC						
AG	187	166							PC						
AG	187	166							PC						
AG	195	203							PC						
AG	210	814							PC						
AG	210	814							PC						
AG	213	229							PC						
AG	216	260							PC						
AG	225	164							PC						
AG	232	281							PC						
AG	236	497							PC						
AG	246	342							PC						
AG	246	342							PC						
AG	247								PC						
AG	248	206							PC						
AG	253	295							PC						
AG	258	283							PC						
AG	258	283							PC						
AG	262	261							PC						
AG	262	261							PC						
AG	273	266							PC						
AG	273	266							PC						
AG	274	1433							PC						
AG	275	183							PC						
AG	275	183							PC						
AG	275	183							PC						
AG	276	540							PC						
AG	280	308							PC						
AG	284	680							PC						
AG	292	641							PC						
AG	292	641							PC						
AG	298	401							PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST		Cars	Rate	% Chg from YR 2	Cars	Rate	
AG	298	401							PC						
AG	301	262							PC						
AG	305	483							PC						
AG	311	423							PC						
AG	318	362							PC						
AG	321	264							PC						
AG	322	272							PC						
AG	325	575							PC						
AG	329	422							PC						
AG	329	422							PC						
AG	338	638							PC						
AG	342	337							PC						
AG	342	337							PC						
AG	347	375							PC						
AG	350								PC						
AG	353	544							PC						
AG	353	544							PC						
AG	353	544							PC						
AG	358	384							PC						
AG	359	1237							PC						
AG	361	637							PC						
AG	362	456							PC						
AG	364	459							PC						
AG	368	311							PC						
AG	368	311							PC						
AG	368	311							PC						
AG	368	311							PC						
AG	369	568							PC						
AG	369	568							PC						
AG	372	556							PC						
AG	372	556							PC						
AG	373	309							PC						
AG	374								PC						
AG	374								PC						
AG	376								PC						
AG	376								PC						
AG	379								PC						
AG	380	921							PC						
AG	380	921							PC						
AG	384								PC						
AG	387	774							PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

Market Definition														CSX May2002-Jun01			CSX May2001-Jun00		
BU	LINE	Old Line	ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate				
AG	391	263								PC									
AG	391	263								PC									
AG	394	634								PC									
AG	401	600								PC									
AG	404	812								PC									
AG	413	158								PC									
AG	418									PC									
AG	421	454								PC									
AG	429	1449								PC									
AG	429	1449								PC									
AG	430	570								PC									
AG	431	839								PC									
AG	432	1538								PC									
AG	433	448								PC									
AG	435	460								PC									
AG	435	460								PC									
AG	437									PC									
AG	449	658								PC									
AG	452	438								PC									
AG	457									PC									
AG	460	549								PC									
AG	461	889								PC									
AG	462	651								PC									
AG	462	651								PC									
AG	462	651								PC									
AG	465									PC									
AG	466									PC									
AG	466									PC									
AG	469									PC									
AG	470									PC									
AG	474	269								PC									
AG	481	1413								PC									
AG	481	1413								PC									
AG	485	901								PC									
AG	500	903								PC									
AG	501									PC									
AG	501									PC									
AG	502	837								PC									
AG	505									PC									
AG	505									PC									
AG	506	635								PC									

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	Cars	Rate	% Chg from YR 2	Cars	Rate	
AG	511	652							PC						
AG	517	1731							PC						
AG	518								PC						
AG	518								PC						
AG	522								PC						
AG	532	1782							PC						
AG	535								PC						
AG	536	479							PC						
AG	539	551							PC						
AG	543	701							PC						
AG	553	688							PC						
AG	557								PC						
AG	563	922							PC						
AG	565	778							PC						
AG	567	361							PC						
AG	567	361							PC						
AG	571								PC						
AG	573	523							PC						
AG	573	523							PC						
AG	576	804							PC						
AG	580								PC						
AG	581	1498							PC						
AG	582	1776							PC						
AG	585	1170							PC						
AG	590	718							PC						
AG	591	469							PC						
AG	597	674							PC						
AG	600	572							PC						
AG	600	572							PC						
AG	601	620							PC						
AG	601	620							PC						
AG	604	1454							PC						
AG	606	917							PC						
AG	608	451							PC						
AU	6	13							PC						
AU	10	16							PC						
AU	10	16							PC						
AU	13	12							PC						
AU	18	143							PC						
AU	19	19							PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST		Cars	Rate	% Chg from YR 2	Cars	Rate	
AU	19	19							PC						
AU	20	22							PC						
AU	21	25							PC						
AU	21	25							PC						
AU	26	37							PC						
AU	26	37							PC						
AU	26	37							PC						
AU	26	37							PC						
AU	27	50							PC						
AU	27	50							PC						
AU	29	31							PC						
AU	34	52							PC						
AU	37	14							PC						
AU	48	36							PC						
AU	50	97							PC						
AU	57	41							PC						
AU	63	102							PC						
AU	63	102							PC						
AU	67	78							PC						
AU	67	78							PC						
AU	71	82							PC						
AU	80	64							PC						
AU	80	64							PC						
AU	104	98							PC						
AU	104	98							PC						
AU	107	137							PC						
AU	108	113							PC						
AU	116	105							PC						
AU	464	706							PC						
AU	464	706							PC						
AU	556	23							PC						
AU	558	610							PC						
AU	558	610							PC						
CH	12	15							PT						
CH	12	15							PT						
CH	14	6							PT						
CH	17	17							PT						
CH	22	51							PT						
CH	22	51							PT						
CH	23	20							PT						
CH	23	20							PT						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						CSX May2002-Jun01				CSX May2001-Jun00			
			ORR	OCITY	OST	TRR	ICITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
CH	24	33								PC						
CH	25	48								PT						
CH	31	42								PT						
CH	32	27								PC						
CH	33	39								PT						
CH	35	24								PT						
CH	35	24								PT						
CH	36	40								PT						
CH	39	466								PT						
CH	39	466								PT						
CH	40	30								PC						
CH	41	70								PT						
CH	41	70								PT						
CH	43	542								PC						
CH	44	26								PT						
CH	44	26								PT						
CH	45	34								PC						
CH	45	34								PC						
CH	47									PC						
CH	49	150								PC						
CH	49	150								PT						
CH	55	29								PT						
CH	56	94								PT						
CH	59	44								PT						
CH	59	44								PT						
CH	60	58								PT						
CH	62	61								PC						
CH	62	61								PT						
CH	62	61								PT						
CH	65	85								PT						
CH	65	85								PT						
CH	66									PT						
CH	68									PT						
CH	68	59								PT						
CH	70	84								PT						
CH	70	84								PT						
CH	72	115								PT						
CH	73	77								PT						
CH	74	60								PT						
CH	74	60								PT						
CH	76	54								PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

Market Definition										CSX May2002-Jun01			CSX May2001-Jun00		
BU	LINE	Old Line	ORR	OCITY	OST	TRR	TCITY	IST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate
CH	77	72								PT					
CH	78	63								PT					
CH	79	74								PT					
CH	79	74								PT					
CH	82	238								PC					
CH	83	381								PC					
CH	84	45								PH					
CH	84	45								PH					
CH	87	75								PT					
CH	88	159								PT					
CH	88	159								PT					
CH	89	76								PT					
CH	89	76								PT					
CH	90	121								PT					
CH	90	121								PT					
CH	92	118								PT					
CH	92	118								PT					
CH	93									PC					
CH	94	174								PH					
CH	94	174								PC					
CH	95	66								PT					
CH	95	66								PT					
CH	96	114								PT					
CH	96	114								PT					
CH	97	172								PT					
CH	97	172								PT					
CH	99	89								PT					
CH	99	89								PT					
CH	106									PT					
CH	106									PT					
CH	110	161								PT					
CH	111	155								PT					
CH	112	87								PC					
CH	112	87								PT					
CH	114	138								PT					
CH	117	307								PC					
CH	117	307								PT					
CH	118	104								PT					
CH	121	71								PT					
CH	123	107								PT					
CH	123	107								PT					

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	IRR	ICITY	TST	STCC	BASIS	Cars	Rate	Cars	Rate
CH	124	103								PT				
CH	124	103								PT				
CH	126	122								PT				
CH	126	122								PT				
CH	128	784								PT				
CH	128	784								PT				
CH	133	151								PT				
CH	134	153								PT				
CH	136	130								PT				
CH	137	135								PT				
CH	137	135								PT				
CH	138	148								PC				
CH	143	156								PT				
CH	144	140								PH				
CH	146	112								PC				
CH	148	125								PT				
CH	150									PT				
CH	151	160								PT				
CH	157	43								PC				
CH	160	197								PT				
CH	161	274								PT				
CH	161	274								PT				
CH	162	552								PC				
CH	163	171								PT				
CH	164	829								PC				
CH	165	120								PT				
CH	165	120								PT				
CH	166	154								PC				
CH	167	306								PT				
CH	168	73								PC				
CH	169	189								PT				
CH	169	189								PT				
CH	170	184								PT				
CH	172	195								PC				
CH	178	117								PT				
CH	178	117								PT				
CH	179	237								PT				
CH	179	237								PT				
CH	182	192								PC				
CH	183	318								PC				
CH	185	219								PC				

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						CSX May2002-Jun01				CSX May2001-Jun00			
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
CH	185	219								PC						
CH	188	93								PC						
CH	190	267								PT						
CH	190	267								PT						
CH	192	186								PT						
CH	193	136								PC						
CH	193	136								PC						
CH	194	100								PT						
CH	197	201								PT						
CH	198	215								PT						
CH	200	139								PT						
CH	201	99								PT						
CH	204	210								PC						
CH	206	204								PC						
CH	206	204								PC						
CH	207	258								PT						
CH	209	336								PT						
CH	209	336								PT						
CH	211	327								PT						
CH	215	196								PC						
CH	219									PC						
CH	220	376								PT						
CH	221	398								PC						
CH	223	378								PT						
CH	223	378								PT						
CH	224	207								PC						
CH	226	1244								PT						
CH	226	1244								PC						
CH	230	180								PC						
CH	230	180								PH						
CH	238	235								PT						
CH	240	225								PC						
CH	241	256								PT						
CH	242	280								PC						
CH	250	341								PC						
CH	251	519								PC						
CH	257	239								PT						
CH	259									PC						
CH	259									PT						
CH	263	285								PT						
CH	264	627								PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
 Before Adjusting for Data Anomalies

Market Definition											CSX May2002-Jun01			CSX May2001-Jun00		
BU	LINE	Old Line	ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
CH	267	355								PC						
CH	269	545								PT						
CH	269	545								PT						
CH	270	296								PC						
CH	272	406								PC						
CH	276	302								PT						
CH	277	333								PT						
CH	279	323								PT						
CH	279	323								PT						
CH	281									PT						
CH	282	909								PT						
CH	285	220								PT						
CH	286	326								PT						
CH	288	108								PT						
CH	289	465								PT						
CH	290									PC						
CH	295	288								PT						
CH	295	288								PT						
CH	295	288								PT						
CH	300	492								PC						
CH	302									PC						
CH	303	279								PT						
CH	306	339								PC						
CH	307	338								PT						
CH	312	349								PC						
CH	313									PC						
CH	314	284								PT						
CH	315									PT						
CH	316	181								PT						
CH	317	292								PT						
CH	317	292								PT						
CH	319	403								PC						
CH	320	587								PT						
CH	320	587								PT						
CH	324	442								PT						
CH	326	368								PC						
CH	330									PC						
CH	331									PT						
CH	334									PT						
CH	335	1385								PC						
CH	337	334								PT						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST		Cars	Rate	% Chg from YR 2	Cars	Rate	
CH	341								PC						
CH	341								PC						
CH	341								PC						
CH	343	399							PC						
CH	344	241							PC						
CH	345	388							PC						
CH	348	390							PT						
CH	349	356							PT						
CH	351	432							PT						
CH	354	273							PC						
CH	355	485							PT						
CH	356	347							PT						
CH	357								PC						
CH	360	374							PT						
CH	363	462							PH						
CH	365	823							PC						
CH	365	823							PC						
CH	366	478							PT						
CH	367								PT						
CH	370	796							PC						
CH	370	796							PC						
CH	377	458							PT						
CH	378	167							PT						
CH	383								PC						
CH	385	493							PT						
CH	386	457							PT						
CH	386	457							PC						
CH	392	501							PT						
CH	393	363							PT						
CH	393	363							PC						
CH	393	363							PC						
CH	396	344							PC						
CH	397								PT						
CH	399								PT						
CH	400	750							PC						
CH	400	750							PT						
CH	402	489							PT						
CH	403	86							PC						
CH	407	298							PT						
CH	409	408							PT						
CH	416								PT						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition							CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	ICITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate
CH	417	414								PT					
CH	420	65								PC					
CH	423	537								PT					
CH	424	313								PC					
CH	427									PT					
CH	439	427								PC					
CH	439	427								PC					
CH	439	427								PC					
CH	441	455								PC					
CH	442									PC					
CH	445	1686								PC					
CH	446	449								PT					
CH	448	505								PC					
CH	453	884								PC					
CH	454	370								PT					
CH	455									PT					
CH	458	541								PC					
CH	468	287								PT					
CH	475									PC					
CH	475									PT					
CH	479									PC					
CH	480	833								PH					
CH	482									PC					
CH	482									PC					
CH	482									PC					
CH	482									PC					
CH	482									PC					
CH	482									PC					
CH	483	193								PH					
CH	483	193								PC					
CH	483	193								PC					
CH	484	1202								PC					
CH	486	924								PT					
CH	488									PC					
CH	489	516								PT					
CH	489	516								PT					
CH	490	898								PC					
CH	492									PC					
CH	495									PT					
CH	497	386								PT					

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	Cars	Rate	% Ctg from YR 2	Cars	Rate	
CH	498	629							PC						
CH	499								PC						
CH	503	300							PT						
CH	507	596							PT						
CH	508	255							PH						
CH	513	1022							PC						
CH	515								PC						
CH	516								PC						
CH	523	424							PC						
CH	523	424							PC						
CH	524	437							PT						
CH	525								PH						
CH	530	617							PC						
CH	533	417							PC						
CH	533	417							PC						
CH	537	727							PC						
CH	537	727							PC						
CH	540	631							PC						
CH	541	1619							PT						
CH	541	1619							PT						
CH	545	906							PT						
CH	548	316							PC						
CH	549	1039							PC						
CH	550	421							PC						
CH	550	421							PC						
CH	551	605							PT						
CH	552	607							PT						
CH	561								PC						
CH	569								PC						
CH	579	589							PT						
CH	586								PC						
CH	587	862							PC						
CH	589	737							PT						
CH	593	1063							PC						
CH	598								PC						
CH	603	400							PT						
CH	605	1213							PC						
CO	1	2							PT						
CO	2	1							PT						
CO	3	28							PT						
CO	4	3							PT						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						CSX May2002-Jun01				CSX May2001-Jun00			
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
CO	7	38								PT						
CO	8	4								PT						
CO	9	8								PT						
CO	15	18								PT						
CO	15	18								PT						
CO	28	5								PT						
CO	30	5								PT						
CO	42									PT						
CO	51									PT						
CO	53									PT						
CO	81	96								PT						
CO	85									PT						
CO	102									PT						
CO	120									PT						
CO	132	133								PT						
CO	139									PT						
CO	142									PT						
CO	175									PT						
CO	218									PT						
CO	222	178								PT						
CO	227									PT						
CO	228									PT						
CO	234									PT						
CO	237									PT						
CO	444									PT						
CO	444									PT						
CO	459	579								PT						
CO	473									PT						
CO	512									PT						
FC	54	56								PC						
FC	64	127								PC						
FC	86	428								PC						
FC	147	35								PC						
FC	159	163								PC						
FC	186	248								PC						
FC	186	248								PC						
FC	202	231								PC						
FC	229	330								PC						
FC	233	282								PC						
FC	254	277								PC						
FC	255	371								PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	Cars	Rate	% Chg from YR 2	Cars	Rate	
FC	261	1168													
FC	271	55							PC						
FC	283	622							PC						
FC	283	622							PC						
FC	287	357							PC						
FC	294	411							PC						
FC	296	429							PC						
FC	297	198							PC						
FC	310	234							PC						
FC	323								PC						
FC	332	222							PC						
FC	352	932							PC						
FC	398	440							PC						
FC	434	126							PC						
FC	436	379							PC						
FC	450	626							PC						
FC	463	494							PC						
FC	471	1125							PC						
FC	471	1125							PC						
FC	472								PC						
FC	494	351							PC						
FC	496	731							PC						
FC	496	731							PC						
FC	501								PC						
FC	508	531							PC						
FC	508	531							PC						
FC	514								PC						
FC	518								PC						
FC	528	931							PC						
FC	546	771							PC						
FC	554								PC						
FC	560								PT						
FC	560								PT						
FC	568								PC						
FC	574								PC						
IN	11	7							PC						
IN	11	7							PC						
IN	16	11							PC						
IN	37	14							PC						
IN	37	14							PC						
IN	115	91							PC						

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
 Before Adjusting for Data Anomalies

Market Definition										CSX May2002-Jun01			CSX May2001-Jun00		
BU	LINE	Old Line	ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate
IN	176	289								PC					
IN	177	175								PC					
IN	177	175								PC					
IN	202	231								PC					
IN	212	208								PC					
IN	217	176								PC					
IN	217	176								PC					
IN	231	250								PC					
IN	235	320								PC					
IN	235	320								PC					
IN	235	320								PC					
IN	235	320								PC					
IN	245	232								PC					
IN	255	371								PC					
IN	291	275								PC					
IN	299	518								PC					
IN	346	228								PC					
IN	371	329								PC					
IN	389	173								PC					
IN	389	173								PC					
IN	406	538								PC					
IN	451	524								PC					
IN	521									PC					
IN	526	885								PC					
IN	541	1619								PC					
IN	542	547								PC					
IN	555	1144								PC					
IN	555	1144								PC					
IN	555	1144								PC					
IN	559									PC					
MN	58	310								PC					
MN	58	310								PC					
MN	69									PT					
MN	153	187								PT					
MN	196	205								PT					
MN	205	251								PT					
MN	208	240								PT					
MN	268	324								PT					
MN	382	413								PC					
MN	438	294								PT					
MN	538									PC					

Exhibit FT14_2
Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

		Market Definition							CSX May2002-Jun01				CSX May2001-Jun00			
BU	LINE	Old Line	ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
MN	560									PC						
MN	583	704								PC						
MN	583	704								PC						
MN	584	1188								PC						
MN	599									PC						
MT	5	10								PT						
MT	5	10								PT						
MT	5	10								PT						
MT	38	21								PT						
MT	38	21								PT						
MT	38	21								PT						
MT	46	46								PC						
MT	46	46								PC						
MT	101	81								PT						
MT	103	553								PC						
MT	109	95								PT						
MT	109	95								PT						
MT	113	119								PT						
MT	119	242								PT						
MT	119	242								PT						
MT	122	145								PC						
MT	125	79								PT						
MT	130	169								PT						
MT	135	162								PC						
MT	140	168								PT						
MT	145	142								PC						
MT	149	190								PC						
MT	152	131								PC						
MT	171	470								PC						
MT	184	317								PT						
MT	184	317								PT						
MT	184	317								PT						
MT	191	557								PT						
MT	199	236								PT						
MT	203	67								PT						
MT	244	1136								PT						
MT	256									PC						
MT	265									PT						
MT	266	299								PT						
MT	293									PT						
MT	308	214								PC						

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Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						CSX May2002-Jun01				CSX May2001-Jun00			
			ORR	OCITY	OST	TRR	ICITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
MT	326									PC						
MT	333									PH						
MT	333									PH						
MT	339	350								PT						
MT	375									PT						
MT	375									PT						
MT	375									PT						
MT	388	170								PT						
MT	390									PT						
MT	419									PC						
MT	426									PC						
MT	440	217								PC						
MT	504									PC						
MT	527									PT						
MT	531									PT						
MT	544									PC						
MT	547	1416								PC						
MT	547	1416								PC						
MT	562									PC						
MT	570	360								PT						
MT	575	666								PT						
MT	578	1706								PC						
MT	588									PC						
MT	592									PT						
MT	594	1079								PC						
MT	595	1070								PC						
MT	602									PC						
PA	52	49								PH						
PA	52	49								PH						
PA	75	68								PH						
PA	98	109								PH						
PA	127	101								PH						
PA	129	90								PH						
PA	131	92								PH						
PA	154	871								PH						
PA	155	319								PC						
PA	155	319								PC						
PA	156									PH						
PA	158	297								PH						
PA	180	481								PH						

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Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			CSX May2001-Jun00		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	Cars	Rate	% Chg from YR 2	Cars	Rate	
PA	189														
PA	199														
PA	214														
PA	239														
PA	243														
PA	249														
PA	252														
PA	252														
PA	252														
PA	260														
PA	260														
PA	304														
PA	304														
PA	309														
PA	327														
PA	336														
PA	340														
PA	381														
PA	395														
PA	405														
PA	410														
PA	411														
PA	412														
PA	415														
PA	422														
PA	425														
PA	428														
PA	443														
PA	447														
PA	456														
PA	467														
PA	477														
PA	478														
PA	491														
PA	493														
PA	510														
PA	519														
PA	520														
PA	529														
PA	534														
PA	564														
PA	566														
PA	596														

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Change in CSXT Rates Detail
Comparing Third Year Post Split Rates to Second Year Post Split Rates
Before Adjusting for Data Anomalies

BU	LINE	Old Line	Market Definition						CSX May2002-Jun01				CSX May2001-Jun00			
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from YR 2	Cars	Rate	
PA	607									PH						
PF	174	194								PT						
PF	408	1349								PT						
PF	414	407								PT						
PF	476									PT						
PF	487	854								PT						
PF	572	854								PT						
PF	577									PT						
PF	577									PT						

PUBLIC VERSION**Exhibit FTI 4_3****Examination of Apparent Rate Changes 8 Percent or Greater**

BU	Line	Percent Change	Explanation	Adjusted Change
AG	91			
AG	100			
AG	246			
AG	248			
AG	369			
AG	391			
AG	394			
AG	401			
AG	432			
AG	460			
AG	461			
AG	506			
AG	517			

BU	Line	Percent Change	Explanation	Adjusted Change
AG	536			
AG	539			
AG	543			
AG	553			
AG	565			
AG	597			
AG	600			
AG	601			
AU	6			
AU	10			
AU	13			
AU	19			

BU	Line	Percent Change	Explanation	Adjusted Change
AU	20			
AU	21			
AU	26			
AU	26			
AU	27			
AU	27			
AU	34			
AU	37			
AU	50			
AU	556			

BU	Line	Percent Change	Explanation	Adjusted Change
CH	14			
CH	22			
CH	22			
CH	79			
CH	79			
CH	89			
CH	92			
CH	117			

BU	Line	Percent Change	Explanation	Adjusted Change
CH	165			
CH	168			
CH	183			
CH	193			
CH	198			
CH	204			
CH	230			
CH	242			
CH	264			
CH	267			
CH	272			
CH	286			

BU	Line	Percent Change	Explanation	Adjusted Change
CH	312			
CH	316			
CH	319			
CH	343			
CH	345			
CH	348			
CH	355			
CH	356			

BU	Line	Percent Change	Explanation	Adjusted Change
CH	363			
CH	370			
CH	407			
CH	423			
CH	448			
CH	454			
CH	480			
CH	483			
CH	483			
CH	503			

BU	Line	Percent Change	Explanation	Adjusted Change
CH	509			
CH	530			
CH	533			
CH	541			
CH	548			
FC	64			
FC	271			
FC	283			
FC	508			
IN	177			
IN	177			
IN	255			

BU	Line	Percent Change	Explanation	Adjusted Change
IN	371			
MN	153			
MN	583			
MN	583			
MN	584			
MT	46			
MT	122			
MT	388			
MT	575			
MT	578			
PA	252			
PA	309			
PA	336			

BU	Line	Percent Change	Explanation	Adjusted Change
PA	410			
PA	412			
PA	415			
PA	422			
PA	428			
PA	447			
PA	456			
PA	477			
PA	520			
PA	566			
PF	414			
PF	414			
PF	487			

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BU	LINE	Old Line	Market Definition					BASIS	CSX May2002-Jun01			Conrail Mar99-Jun98		
			ORR	OCITY	OST	TRR	ICITY	IST	STCC	Cars	Rate	% Chg from Conrail	Cars	Rate
AG	181	211												
AG	195	203							PC					
AG	213	229							PC					
AG	246	342							PC					
AG	247	283							PC					
AG	258	286							PC					
AG	273	183							PC					
AG	275	183							PC					
AG	280	308							PC					
AG	318	362							PC					
AG	321	264							PC					
AG	342	337							PC					
AG	347	375							PC					
AG	353	544							PC					
AG	359	1237							PC					
AG	362	456							PC					
AG	369	568							PC					
AG	373	309							PC					
AG	376								PC					
AG	391	263							PC					
AG	394	634							PC					
AG	429	1449							PC					
AG	430	570							PC					
AG	431	839							PC					
AG	482	651							PC					
AG	485								PC					
AG	474	269							PC					
AG	485	901							PC					
AG	500	903							PC					
AG	536	479							PC					
AG	539	551							PC					
AG	571								PC					
AG	601	620							PC					
AG	601	620							PC					
AG	606	917							PC					
AU	6	13							PC					
AU	10	16							PC					
AU	19	19							PC					
AU	20	22							PC					
AU	21	25							PC					

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BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			Conrail Mar99-Jun98			
			ORR	OCITY	OST	TRR	TCITY	TST		STCC	Cars	Rate	% Chg from Conrail	Cars	Rate	
AU	26	37								PC						
AU	48	36								PC						
AU	57	41								PC						
AU	63	102								PC						
AU	67	78								PC						
AU	556	23								PC						
AU	558	610								PC						
CH	17	17								PT						
CH	22	51								PT						
CH	23	20								PT						
CH	25	48								PT						
CH	31	42								PC						
CH	32	27								PT						
CH	33	39								PT						
CH	36	40								PT						
CH	40	30								PC						
CH	41	70								PT						
CH	41	70								PT						
CH	44	26								PT						
CH	44	26								PT						
CH	55	29								PT						
CH	56	94								PT						
CH	59	44								PT						
CH	59	44								PT						
CH	60	58								PT						
CH	62	61								PT						
CH	62	61								PT						
CH	65	85								PT						
CH	65	85								PT						
CH	68	59								PT						
CH	70	84								PT						
CH	74	60								PT						
CH	74	60								PT						
CH	76	54								PC						
CH	78	63								PT						
CH	79	74								PT						
CH	79	74								PT						
CH	84	45								PH						
CH	84	45								PH						
CH	87	75								PT						
CH	88	159								PT						

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BU	LINE	Old Line	Market Definition							BASIS	CSX May2002-Jun01			Conrail Mar99-Jun98		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC		Cars	Rate	% Chg from Conrail	Cars	Rate	
CH	89	76								PT						
CH	89	76								PT						
CH	90	121								PT						
CH	90	121								PT						
CH	92	118								PT						
CH	92	118								PT						
CH	95	66								PT						
CH	95	66								PT						
CH	96	114								PT						
CH	96	114								PT						
CH	97	172								PT						
CH	97	172								PT						
CH	99	89								PT						
CH	110	161								PT						
CH	111	155								PC						
CH	112	87								PT						
CH	117	307								PT						
CH	117	307								PT						
CH	121	71								PT						
CH	124	103								PT						
CH	124	103								PT						
CH	126	122								PT						
CH	133	151								PT						
CH	134	153								PT						
CH	136	130								PT						
CH	137	135								PT						
CH	137	135								PT						
CH	138	148								PC						
CH	143	156								PC						
CH	144	140								PH						
CH	148	125								PT						
CH	151	160								PT						
CH	161	274								PT						
CH	165	120								PT						
CH	166	154								PC						
CH	169	189								PT						
CH	169	189								PT						
CH	170	184								PT						
CH	172	195								PC						
CH	178	117								PT						
CH	179	237								PT						

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BU	LINE	Old Line	Market Definition							BASIS	CSX May2002-Jun01			% Chg from Conrail			Conrail Mar99-Jun98		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC		Cars	Rate		Cars	Rate		Cars	Rate	
CH	182	192								PC									
CH	183	318								PC									
CH	190	267								PT									
CH	192	186								PT									
CH	197	201								PT									
CH	198	215								PT									
CH	200	139								PT									
CH	201	99								PT									
CH	206	204								PC									
CH	207	258								PT									
CH	215	196								PC									
CH	220	376								PT									
CH	224	207								PC									
CH	230	180								PC									
CH	230	180								PH									
CH	238	235								PT									
CH	240	225								PC									
CH	241	256								PT									
CH	242	280								PC									
CH	250	341								PC									
CH	257	239								PT									
CH	263	285								PT									
CH	264	627								PC									
CH	267	355								PC									
CH	269	545								PT									
CH	276	302								PT									
CH	279	323								PT									
CH	279	323								PT									
CH	285	220								PT									
CH	286	326								PT									
CH	289	465								PT									
CH	306	339								PC									
CH	307	338								PT									
CH	312	349								PC									
CH	314	284								PT									
CH	315									PT									
CH	316	181								PT									
CH	317	292								PT									
CH	317	292								PT									
CH	320	587								PT									
CH	324	442								PT									

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BU	LINE	Old Line	Market Definition						CSX May2002-Jun01			Conrail Mar99-Jun98		
			ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from Conrail	Cars
CH	326	368								PC				
CH	337	334								PT				
CH	344	241								PC				
CH	345	388								PT				
CH	348	390								PT				
CH	349	356								PT				
CH	351	432								PT				
CH	354	273								PC				
CH	356	347								PT				
CH	366	478								PT				
CH	378	167								PT				
CH	385	493								PT				
CH	386	457								PC				
CH	392	501								PT				
CH	393	363								PC				
CH	407	298								PT				
CH	417	414								PT				
CH	423	537								PT				
CH	446	449								PT				
CH	448	505								PC				
CH	453	884								PC				
CH	468	287								PT				
CH	480	833								PH				
CH	483	193								PC				
CH	489	516								PT				
CH	497	386								PT				
CH	498	629								PC				
CH	503	300								PT				
CH	507	596								PT				
CH	515									PC				
CH	524	437								PT				
CH	530	617								PC				
CH	533	417								PC				
CH	540	631								PC				
CH	548	316								PC				
CH	550	421								PC				
CH	552	607								PT				
CH	579	589								PT				
CH	587	862								PC				
CH	589	737								PT				
CH	603	400								PT				

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Market Definition										CSX May2002-Jun01			Conrail Mar99-Jun98		
BU	LINE	Old Line	ORR	OCITY	OST	TRR	TCITY	TST	STCC	BASIS	Cars	Rate	% Chg from Conrail	Cars	Rate
CO	1	2								PT					
CO	2	1								PT					
CO	3	28								PT					
CO	9	8								PT					
CO	28									PT					
CO	30	5								PT					
CO	85	96								PT					
CO	132	133								PT					
FC	54	56								PC					
FC	283	622								PC					
FC	287	357								PC					
FC	294	411								PC					
FC	296	429								PC					
FC	310	234								PC					
FC	332	222								PC					
FC	352	932								PC					
FC	450	626								PC					
FC	463	494								PC					
FC	471	1125								PC					
FC	471	1125								PC					
FC	494	351								PC					
FC	496	731								PC					
MN	69									PT					
MN	153	187								PT					
MN	196	205								PT					
MN	205	251								PT					
MN	208	240								PT					
MN	268	324								PT					
MN	382	413								PC					
MN	438	294								PT					
MN	583	704								PC					
MT	101	81								PT					
MT	103	553								PC					
MT	119	242								PT					
MT	125	79								PT					
MT	199	236								PT					
MT	339	350								PT					
MT	375									PT					
MT	544									PC					
MT	570	360								PT					
MT	578	1706								PC					

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BU	LINE	Old Line	Market Definition						BASIS	CSX May2002-Jun01			Conrail Mar99-Jun98			
			ORR	OCITY	OST	TRR	TCITY	TST		STCC	Cars	Rate	% Chg from Conrail	Cars	Rate	
MT	595	1070														
PA	52	49								PC						
PA	52	49								PH						
PA	127	101								PH						
PA	129	90								PH						
PA	131	92								PH						
PA	154	871								PH						
PA	158	297								PH						
PA	180	481								PH						
PA	239	218								PH						
PA	243	325								PH						
PA	252	185								PC						
PA	252	185								PH						
PA	309	252								PH						
PA	340	409								PC						
PA	381	372								PH						
PA	411	441								PH						
PA	428	597								PH						
PA	467	768								PC						
PA	477	914								PT						
PA	493	817								PC						
PA	520	1031								PC						
PA	529	477								PH						